

President's News Conference on Foreign and Domestic Matters

Following is a transcript of President Reagan's news conference in Washington last night, as recorded by The New York Times:

OPENING STATEMENT

I have a statement which I shall read to the sound media that I know has been distributed.

Twice in my lifetime, I've seen the world plunged blindly into global war that inflicted untold suffering upon millions of innocent people. I share the determination of today's young people that such a tragedy, which would be rendered even more terrible by the monstrous inhumanity of weapons in the world's nuclear arsenals, must never happen again.

My goal is to reduce nuclear weapons dramatically, assuring lasting peace and security. Last November, I stressed our commitment to negotiate in good faith for the reduction of both nuclear and conventional weapons. I made a specific proposal to eliminate entirely intermediate-range missiles.

We remain committed to those goals.

In Geneva, we've proposed a treaty with the Soviet Union which embodies our proposals. In Vienna, we've asked our allies, we're negotiating reductions of conventional forces in Europe. And here in Washington, we're completing preparations for talks with the Soviets on strategic weapons reductions.

We know all too well from past experience that negotiations with the Soviet Union must be carefully prepared. We can't afford to repeat past mistakes, to arrive hastily at an arms control process that sends hopes soaring, only to end in dashed expectations.

Last week, a distinguished group of Senators and Congressmen called me to the Senate and House resolutions for major verifiable reductions of U. S. and Soviet nuclear arms to equal-level levels. This is an important move in the right direction, and these points are essential elements of a truly effective arms control agreement, elements which are

consistent with the views of this Administration.

I commend Senators Jackson and Warner and Congressman Carney and all those who joined with me in this important initiative. I thank them and will continue to seek realistic arms control agreements on nuclear and conventional weapons. I want an agreement on strategic nuclear weapons that reduces the risk of war, lowers the level of armaments and enhances global security. We can accept no less.

America's national security policy is based on enduring principles. Our leaders and our allies have long understood that the objective of our defense efforts has always been to deter conflict and reduce the risk of war, conventional or nuclear.

Together with our partners in the Atlantic alliance, every President in the postwar period has followed this strategy, and it's worked. It has earned the overwhelming bipartisan support of the Congress and the country at large, and it has kept world peace.

Yesterday, with the successful completion of the Cold War, the world's latest mission, I think we were all reminded of the great things that our nation has achieved and what it has done. Its best minds and efforts to a positive goal. Both the United States and the Soviet Union have written proud chapters in the peaceful exploration of outer space, so I invite the Soviet Union to join with us now to substantially reduce nuclear weapons and make an important breakthrough for lasting peace on earth.

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QUESTIONS AND ANSWERS

Nuclear Arms Race

Q. Mr. President, the experts say the Russians are far ahead of us in some nuclear weaponry and we are far ahead of them in terms of Polaris missiles and so forth. And we also have the capability of swift massive retaliation against the Soviets. Under those circumstances, why do we seek negotiations for now and carry on to reduction. That way we can halt the making of domestic weapons and save billions to help poor people?

A. Helen, I know that there are people that have tried to figure out the balance the Soviet Union does have a definite margin of superiority — enough so that there is a window of vulnerability. I think that a freeze would not only be disadvantageous — in fact even dangerous — to us with them in that position, but it would also militate against any negotiations for reduction. There would be no incentive for them then to meet with us and reduce.

Let me call your attention to what's going on in Geneva. They're talking intermediate-range missiles with 900 warheads aimed at all of Western Europe and that includes Northern Africa and the Middle East. And there was no talk of any reduction of those weapons until our allies asked us to supply them with large quantities of weapons as a deterrent and which would be placed in the countries of Western Europe. And then yesterday I made my proposal last November, the Soviet Union is sitting down and talking with us on that. If they're ahead and we're behind and we're asking them to cut down and join us in getting down to a lower level, there isn't much of an incentive.

Q. Are you saying that we are vulnerable now, right today, to a nuclear attack that could not be retaliated on?

A. There would be possible because of some of the reduction, but the Soviet's great edge is in the fact that they could absorb our retaliatory blow and hit us again.

Survival in Nuclear War

Q. Mr. President, do you think a nuclear war would be winnable or even survivable, and under what conditions?

A. I just have to say that I don't think there could be any winners — everybody would be a loser if there's a nuclear war.

Soviet Missile Statement

Q. Mr. President, Leonid Brezhnev the other day implied that if the U.S. went ahead with the Pershing 2 missiles and the ground-launched cruise missiles that he would take some kind of retaliatory steps. Do you interpret this as a threat? And if so, how are you responding to him in private? Or how do you plan to respond to him?

A. Well, I know that we're — we're looking at all these various statements, and so forth, and analyzing them to see what they may mean. Frankly, I — I myself am inclined to believe that this is just part of the dialogue that goes on, and part of a — of a propaganda campaign that's aimed at making them look like the peace-makers and as if we're the aggressors of war. And that is completely contrary to fact.

Q. Mr. President, he's implying, if I follow up, that he would want to install nuclear weapons in this hemisphere. If that's the case, how would you respond?

A. The only place that he could install them in this hemisphere would be Cuba, which is his satellite, and although they're working up to it, I think it might be Nicaragua — also considered that. But this would be in total violation. You know there's been other things that are violations, also, at the time of the 1962 agreement — at the time of the missile crisis.

And then there are options open to us that I would prefer not to discuss because, as you know, I don't like to be caught in a position that we could or might or might not do.

Compromise on Budget

Q. Mr. President, even some of your closest Republican allies on Capitol Hill are calling on you now to show some flexibility in negotiating for a budget compromise, not only in defense spending but in Social Security and in other entitlement programs. Why aren't you accepting their advice?

A. Well, we — I am listening and I'm listening to all the arguments. I'm listening to what they're saying. Jim Baker's been on the Hill now for several times, a window of vulnerability. I think that a freeze would not only be disadvantageous — in fact even dangerous — to us with them in that position, but it would also militate against any negotiations for reduction. There would be no incentive for them then to meet with us and reduce.

With regard to Social Security, I feel there that we have to point out that we now have a bipartisan commission as a result of last year's arguments and debates that is considering the future of Social Security. With regard to further cuts, I am hoping to hear, and willing to hear, proposals that we can do in the present situation to supply them with large quantities of weapons as a deterrent and which would be placed in the countries of Western Europe. And then yesterday I made my proposal last November, the Soviet Union is sitting down and talking with us on that. If they're ahead and we're behind and we're asking them to cut down and join us in getting down to a lower level, there isn't much of an incentive.

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President Reagan at his news conference last night at the White House.

example of what that rate of inflation means, and what the entire 1981 decline that we brought about, because inflation started down before there was any recession — and I think we had something to do with that.

Gain in Purchasing Power

Q. — take the average family of four that is living on the threshold of poverty, which we say now is \$8,500 a year. If we had a balanced budget, we'd have \$375 more in purchasing power with their \$8,500 than they did at the rate of inflation in 1980, and leading up to the inauguration in '81.

So, when you say better or worse off, I think there are elements of better off and probably the worst one is the penalty imposed with these high interest rates, which, as I've said, we have brought down some, but which have contributed to, not only unemployment, but the other tragedy of the small and the independent business people and the farmers — many of them who have not been able to make it through this period.

The Situation in Poland

Q. Mr. President, what do you think of the latest situation in Poland, especially in the light of your statement that you're not going to give them more aid until they take steps to reduce their military spending?

A. Well, we're watching this. We have joined with our allies in a number of sanctions. We're working now with them with regard to the cutting off of credit to the nations like that and to the Soviet Union, which we believe is the whole Polish problem — at the same time that we're doing everything we can to try and help the Polish people without having to give them more aid.

Q. Mr. President, the right-wing parties in El Salvador, taken together, are not what we need. The question is, will we back any government that abandons the social reforms that are now under way there? And, specifically, would we back a government headed by Major D'Aubuisson?

A. Let me just say we're watching this very carefully. I think it would give us great difficulties if a government now appeared on the scene that totally turned away from the reforms that have been instituted.

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a constitutional amendment to balance the budget. Can you ever support a constitutional amendment to balance the budget, considering that your proposals have no balanced budgets and deficits well out into the years?

A. Am, of my, yes, I can endorse the concept of that. As a matter of fact, I've talked about it many times in my belief that it is the answer to an uncontrollable Government spending.

Q. Now, I won't go into the specifics of the particular proposal that is in the bill, but the concept, and I am looking at that to see what it's going to contain, because I think that a balanced budget amendment must also carry with it a limitation on taxes. It must be a tax that is in the future you couldn't just simply sending a bill to the taxpayers for whatever the deficit might be. Yes, or no?

Corporate Bailouts

Q. Mr. President, in view of the very precarious position that many of our large corporations are in, how do you look at the Chrysler type of bailout? And has your Administration considered any kind of bailout that would be safe for the Federal Deposit Insurance Company?

A. That wasn't clear enough, I've lost it.

Q. The Chrysler bailout, like a few others ago, under our previous President, was a bailout of a company that was in a very precarious position. It was a bailout of a company that was in a very precarious position. It was a bailout of a company that was in a very precarious position.

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Soviet Relations

Q. Mr. President, in your first press conference, you referred to the Soviet Union as having shown a pattern of behavior that you believed you used the words, lying and cheating over the years. Tonight you're calling upon a return to civilized conduct in a sustained negotiation on nuclear arms. Have you in your months in office formed any different opinion that you came into office with about the Soviet Union? Are they more conciliatory than you thought they were?

A. No, I don't think they've changed their habits. I think, however, they're a more desperate situation than they are. I had assumed that they were economically. Their great military machine, and the aerospace industry, and the consumer products up to and including food for their people, has now left them on a very narrow edge and that's why we're proposing to our allies a cutoff of credit, with regard to the Polish and the Afghanistan situation.

Caring About the Poor

Q. Mr. President, you've said several times recently that the accusation that bothers you most is that you can't care about the poor and disadvantaged. You point out that social programs haven't really been cut, but the rate of increase slowed. And a number of studies, including one by the Congressional Budget Office, say that the poorest people will lose the most from last year's spending cuts, let alone the ones which have been proposed for this year. Do you still feel along with Mr. Carter that your Administration, that the entitlement programs provide many billions of dollars and suggest that people who are not in need?

A. Well, this is the thing, Bill, that we're trying to correct, and that's why we're proposing to our allies a cutoff of credit, with regard to the Polish and the Afghanistan situation.

we've submitted for 1983 will be \$32 billion higher than the budget for this year, \$78 billion, and 43 cents of every one of those dollars will be going in direct benefits to individuals either in cash or in services.

Now in the John F. Kennedy first budget only 27 cents went in such benefits to individuals, 46 cents of his budget of every dollar went to the needy. We're not getting the programs for the needy. The Government insured students were in — let's take the last budget of the preceding Administration, 1980 with \$14 billion. For our '83 budget we're asking \$2.6 billion. The supplemental security income for the elderly poor and the blind was \$5.3 billion; we're asking for \$8.9 billion in our budget.

We have, our budget contains \$58.8 billion in assistance to the poor. We're providing, as you've heard me say several times, 66 million meals a day; subsidizing rents for 10,200,000 people. We're job training for a million of the young and job post. The Social Security in 1980 was \$12 billion; it will be \$17.5 billion in '83. Health care was \$10 billion then; it will be \$78 billion in 1973.

I think that sometimes people are jumping at a figure in some particular program and not looking to see. As for example, in an editorial in a paper this morning that struck at us because they said that we had less money for vaccinations for children and therefore there was going to be more sick children and more child death. Well, what they didn't see was that we actually have more money in for that program than we've had for others. In that same editorial they criticized the women, infant and children nutrition program. And I'm sure at first glance they must have thought something had happened. It's been merged with another program and is in there at much greater money than it has ever had before.

Fairness of Budget Cuts

Q. Mr. President, your critics are saying that proportionally much greater amount of money are coming from programs for people who really have no constituency — Social Security and other programs such as that have a large and voting constituency, but welfare programs, nutrition programs, food stamp programs have much smaller constituencies. Your critics charge that proportionally larger cuts are being made there. How do you answer that?

A. Well, I would answer it by saying that Social Security, which over the years has been taken in, has been touched Social Security — food stamps over the last 15 years increased 100 percent. And just recently we've been doing some investigating so we can intelligently treat with a program of that kind, and we have found in the first investigation that 57 percent of the stores that were investigated are selling items for food stamps and are better off than stamps are — it's illegal to use food stamps to buy those things, Barry?

Palestinian Autonomy

Q. Mr. President, do you think the recent clashes between the Israeli military and Palestinians on the West Bank are a step toward the Palestinian autonomy?

A. I'm hopeful that it won't, because I have a pledge of my friend Menachem Begin, leader of the PLO, that they are going forward within the framework of the Camp David agreement to resolve all these problems. I'm hopeful that we will see more progress on these talks after April 15, when the transfer of the Sinai comes.

Q. — Israel claims that some of the things they are doing are outrageous, that they themselves have been doing, or anything that the Government is doing. They're staying up because after being burned a half a dozen times in these previous efforts by the Government, we find that the money markets just don't believe that we'll stay the course, bring down Government spending and hold it down. They're looking for that temporary stimulant that will then send up the interest rates.

Tax Cuts and Deficit

Q. Mr. President, in your self-declared items in your budget, such as the 10 percent tax cut and increased defense spending, you seem to be almost alone with the exception of Congress and Kemp and we sense even many of your economic advisers and people who clearly have your best interest at heart, Senator Laxalt comes to mind, are saying both privately and publicly that they desperately want you to change that and bring the deficit down and try to bring the interest rates down. Do you have any sense of pause about sticking with this thing and the view of the body of opinion that's building up in people like Senator Laxalt?

A. I don't believe that they're specifically talking about those basic fundamentals of the economic program, think in the line of getting the interest rates down, and I've had this also from quite some outside economic advisers from people out there in the money markets that one of the worst things we could do would be an outright retreat from the fundamentals of the program.

Q. Now call to your attention that we ourselves, last year in getting those tax cuts discussed areas of savings and revenues. Many of them in the line of taking away unjustified tax breaks that were never really intended in the regulations, things of that kind, and I'm open to discussion of anything of that kind.

Q. But I believe that the basic tax cuts for business that we've based around depreciation allowances, the 25 percent which should have been 30 percent and retroactive to Jan. 1 of 1981 and maybe we wouldn't have a recession today, but we couldn't get that much done when we were trying to get it. But I believe that that tax cut is absolutely vital.

Q. — doesn't your working vacation to Barbados next week tend to exacerbate the problem?

A. Well, then what about the bipartisan Congressional team that is also going down into the Caribbean islands on the same Caribbean program? It seemed to me that — first of all, we're stopping at Jamaica. This is where the whole Caribbean initiative began, with Seaga's victory there and the taking away of the Government from the virtually Communist control that it had been under. And we're moving on then to Barbados, where the Prime Minister there has set up a meeting with the heads of state of many of the neighboring islands there in the Caribbean.

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Inflation Effects

Q. Mr. President, you've talked often about the long-term goals of your economic recovery plan, but a lot of people are in trouble right now. They don't have jobs, millions of them. How long are you willing to let unemployment continue at current high levels as you take the time to work out a long-term emergency action to bring it down?

A. Short-term emergency actions have been taken in the past, and there've been seven previous recessions since World War II. And that short term has been a flooding of the money market, an artificial stimulant to bring down unemployment. And at the same time, it usually skyrockets inflation.

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Nuclear Arms Talks

Q. Mr. President, going back to your opening statement, how soon do you expect strategic arms negotiations to begin and will they include a summit with Mr. Brezhnev?

A. Well, we've been thinking that possibly this summer we would be ready as far as our own team is concerned. It takes a lot of work to prepare for one of these. You don't just go and sit down at the table and say let's talk about nuclear weapons. And then there will have to be an overview. We've had quite a talented group working on this. When we're ready, then we'll set the date. It will depend somewhat on the whole international situation. There are a number of things that we make it seem a little unlikely to propose at a meeting. But I would be hopeful that possibly we could do this by this summer.

Thank you Mr. President

Reagan Breaks Even In A Performance Poll

About as many Americans disapprove of how President Reagan is handling his job as those who approve of his performance, according to the latest Gallup poll. Forty-one percent approve and 45 percent disapprove.

While the approval rating is only a few points below the 39 percent that respondents who approved of President Carter four years ago, the disapproval rating was substantially higher. Only 38 percent of the public disapproved of Mr. Carter then. President Nixon, after 14 months in office, had a rating of 53 percent approval and 39 percent disapproval.